

Department of Social and Health Services

**DP Code/Title: M2-5J Increased Cost of Mail Services**

**Program Level - 145 Payment to Other Agencies**

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Budget Period: 2001-03    Version: N3 145 2001-03 2003 Sup Agency Req

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**Recommendation Summary Text:**

This is a request for a State Fiscal Year 2003 funding level increase for the Department of Social and Health Services (DSHS) for incoming and campus mail costs.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	57,000	57,000
001-2 General Fund - Basic Account-Federal	0	3,000	3,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	4,000	4,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	17,000	17,000
<b>Total Cost</b>	<b>0</b>	<b>81,000</b>	<b>81,000</b>

**Staffing**

**Package Description:**

DSHS moves about 2 million pieces of mail per month in the Olympia/Lacey/Tumwater area. For cost-effectiveness, DSHS operates specific intra-area headquarters mail service and delivery, and also pays Consolidated Mail Service (CMS) a "flat rate" monthly charge for in-coming/campus mail services for routes where lower volumes prohibit inferred cost-savings. CMS charges are based on a biennially calculated DSHS average volume mail for the routes not covered by internal DSHS operations.

At the time the 2001-03 Budget was built, CMS used previous biennium volumes to project an annual fiscal year cost of \$530,431. During the biennium, DSHS volume of mail increased. CMS is now charging DSHS (including a 1 percent rate reduction) \$152,898 each quarter or \$611,592 for the year, leaving an \$81,161 annual shortfall.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

The DSHS strategic plan and balanced scorecard center on improving business practices, partnering with our customers and clients, ensuring a safe environment for staff and clients, and efficiently communicating information.

***Performance Measure Detail***

**Program: 110**

**Goal: 08K Continue to creatively improve business processes**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

***Reason for change:***

This change is the result of proven increases in DSHS mail volumes as recorded by CMS.

***Impact on clients and services:***

This change helps to ensure timely communication within the department and with DSHS clients and vendors.

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***Impact on other state programs:***

All programs in DSHS are impacted.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

Working with CMS in handling our incoming and campus mail is the most efficient method for DSHS. The United States Postal Service assigned code 98504 exclusively for the Olympia area state services. This leaves the initial agency-level sortation of this mail to CMS. No other alternatives have been explored.

***Budget impacts in future biennia:***

Costs will continue into future biennia.

***Distinction between one-time and ongoing costs:***

This represents an increase in ongoing costs.

***Effects of non-funding:***

Mail sorting and delivery are business essentials. We cannot function efficiently without them.

***Expenditure Calculations and Assumptions:***

FY 03

CMS Charges \$611,592  
(Includes 1 percent rate reduction)

Current funded allotment \$530,431

Difference \$ 81,161

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
E Goods And Services	0	81,000	81,000

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**DSHS Source Code Detail**

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	57,000	57,000
<i>Total for Fund 001-1</i>		<b>0</b>	<b>57,000</b>	<b>57,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<u>Sources</u>	<u>Title</u>			
001B	Social Security Disability Ins (100%)	0	1,000	1,000
E61L	Food Stamp Program (50%)	0	2,000	2,000
<i>Total for Fund 001-2</i>		<b>0</b>	<b>3,000</b>	<b>3,000</b>
<b>Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi</b>				
<u>Sources</u>	<u>Title</u>			
563I	Title IV-D Child Support Enforcement (A) (66%)	0	4,000	4,000
<i>Total for Fund 001-A</i>		<b>0</b>	<b>4,000</b>	<b>4,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	0	17,000	17,000
<i>Total for Fund 001-C</i>		<b>0</b>	<b>17,000</b>	<b>17,000</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>81,000</b>	<b>81,000</b>